

AMENDED IN ASSEMBLY JUNE 2, 2003

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## ASSEMBLY BILL

**No. 1154**

**Introduced by Assembly Member Frommer**  
(Coauthor: Senator Ortiz)

February 21, 2003

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An act to add and repeal Section 127032 of the Health and Safety Code, relating to health planning, ~~and making an appropriation therefor~~ *declaring the urgency thereof, to take effect immediately.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 1154, as amended, Frommer. Office of Statewide Health Planning and Development: hiring freeze: exemption.

Existing law requires the Office of Statewide Health Planning and Development to perform various functions and duties with respect to health facilities, health policy and planning, and health professions development.

Existing law establishes the Hospital Building Fund as a continuously appropriated fund for purposes of carrying out the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.

This bill would exempt the office positions funded by the Hospital Building Fund from any hiring freezes and staff cutbacks until January 1, 2013.

~~Existing law generally provides that on and after July 1, 2003, no moneys in any fund that, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be~~

~~encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.~~

~~This bill, notwithstanding the above provision, would continuously appropriate moneys for the functions of the office derived from the Hospital Building Fund, if a Budget Act is not enacted by July 1 of the fiscal year until the annual Budget Act is enacted.~~

The bill would also authorize the office to add positions funded by the Hospital Building Fund prior to January 1, 2006, in order to avoid undue delays of plan review and area compliance to support the implementation of the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Under the Alfred E. Alquist Hospital Facilities Seismic  
4 Safety Act of 1983 (HFSSA) (Chapter 1 (commencing with  
5 Section 129675) of Part 7 of Division 107 of the Health and Safety  
6 Code), California general acute care inpatient hospital buildings  
7 are required to meet life safety standards by 2008. Hospitals may  
8 be eligible for up to a five-year extension of the 2008 deadline. The  
9 act also requires all general acute care inpatient hospital buildings  
10 to be in substantial compliance with the HFSSA by 2030.

11 (b) The purpose of the mandate is to ensure that hospital  
12 patients and workers are safe during an earthquake and that the  
13 public can access hospital services following an earthquake. The  
14 California Healthcare Association conservatively estimates the  
15 cost of the seismic mandate at \$24 billion without financing costs.  
16 The RAND Corporation estimates the mandate could cost as much  
17 as \$41 billion without financing costs.

18 (c) The Office of Statewide Health Planning and Development  
19 (OSHDP) conducts plan review and area compliance of all  
20 hospital projects. General Fund money does not pay for OSHPD  
21 Facilities Development Division (FDD) costs. The costs are paid

1 for by hospitals through a 1.64 percent fee assessed on a project's  
2 cost.

3 (d) OSHPD's goal is to complete the initial review of a project  
4 in 60 days and to complete any subsequent reviews in 30 days. For  
5 a major project, such as a new hospital, OSHPD estimates the time  
6 to review the initial project and all subsequent checks necessary to  
7 complete the review is one year. Due to the review process and the  
8 stricter seismic standards, it takes approximately five years to  
9 build and open a new hospital in California. This compares to the  
10 two to three years it would take to build a similar hospital in most  
11 other states. The existing plan review and area compliance process  
12 adds considerably to California hospital's construction costs.

13 (e) With the large number of projects being submitted to  
14 OSHPD FDD to meet the seismic compliance standards, delays of  
15 one week could add millions of dollars to costs to California  
16 hospital construction and retrofits.

17 (f) Therefore, it is essential that OSHPD FDD has adequate  
18 resources to carry out the plan review and area compliance  
19 activities required by the seismic mandate. To ensure that this  
20 occurs, the OSHPD FDD needs to be exempt from any state hiring  
21 freezes and staff budget cuts until the mandate is met by January  
22 1, 2013.

23 SEC. 2. Section 127032 is added to the Health and Safety  
24 Code, to read:

25 127032. (a) ~~(1)~~Notwithstanding Section 12439 of the  
26 Government Code or any other provision of law, the office  
27 positions funded by the Hospital Building Fund shall be exempt  
28 from any hiring freezes and staff cutbacks.

29 ~~(2) Notwithstanding Section 13340 of the Government Code,~~  
30 ~~in any fiscal year in which the Budget Act is not enacted by July~~  
31 ~~1 of the fiscal year, moneys for the functions of the office derived~~  
32 ~~from the Hospital Building Fund shall be continuously~~  
33 ~~appropriated without regard to fiscal years until the date the annual~~  
34 ~~Budget Act is enacted. The Department of Finance may, upon~~  
35 ~~enactment of the Budget Act and in the absence of this action being~~  
36 ~~taken by the Legislature or the Governor in that Budget Act,~~  
37 ~~reduce the applicable Budget Act allocations by the amount of any~~  
38 ~~payments pursuant to this paragraph.~~

39 (b) The office may add positions funded by the Hospital  
40 Building Fund prior to January 1, 2006, in order to avoid undue

1 delays of plan review and area compliance to support the  
2 implementation of the Alfred E. Alquist Hospital Facilities  
3 Seismic Safety Act of 1983 (Chapter 1 (commencing with Section  
4 129675) of Part 7).

5 (c) *The addition of positions authorized by this section is*  
6 *contingent upon the office providing notification regarding these*  
7 *positions to the Joint Legislative Budget Committee.*

8 (d) This section shall remain in effect only until January 1,  
9 2013, and as of that date is repealed, unless a later enacted statute,  
10 that is enacted before January 1, 2013, deletes or extends that date.

11 SEC. 3. *This act is an urgency statute necessary for the*  
12 *immediate preservation of the public peace, health, or safety*  
13 *within the meaning of Article IV of the Constitution and shall go*  
14 *into immediate effect. The facts constituting the necessity are:*

15 *In order to ensure that hospitals do not incur costly construction*  
16 *delays due to inadequate staffing of the Office of Statewide Health*  
17 *Planning and Development, it is necessary that this act take effect*  
18 *immediately.*

